VZCZCXRO5122 PP RUEHHM RUEHPB DE RUEHKO #1585/01 1620824 ZNY CCCCC ZZH P 100824Z JUN 08 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 4926 RHEHAAA/WHITE HOUSE WASHDC PRIORITY RHEHAAA/NSC WASHDC PRIORITY INFO RUEHZN/ENVIRONMENT SCIENCE AND TECHNOLOGY COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 3817 RUEHRL/AMEMBASSY BERLIN 1419 RUEHBR/AMEMBASSY BRASILIA 0416 RUEHBY/AMEMBASSY CANBERRA 2648 RUEHJA/AMEMBASSY JAKARTA 4368 RUEHLJ/AMEMBASSY LJUBLJANA 0082 RUEHLO/AMEMBASSY LONDON 2064 RUEHME/AMEMBASSY MEXICO 0525 RUEHMO/AMEMBASSY MOSCOW 2340 RUEHNE/AMEMBASSY NEW DELHI 8530 RUEHOT/AMEMBASSY OTTAWA 9675 RUEHFR/AMEMBASSY PARIS 6133 RUEHSA/AMEMBASSY PRETORIA 0288 RUEHRO/AMEMBASSY ROME 2108 RUEHUL/AMEMBASSY SEOUL 9816 RUEHFK/AMCONSUL FUKUOKA 8270 RUEHNH/AMCONSUL NAHA 0644 RUEHOK/AMCONSUL OSAKA KOBE 1961 RUEHKSO/AMCONSUL SAPPORO 8859 RUEHBS/USEU BRUSSELS RUCNDT/USMISSION USUN NEW YORK 0242

C O N F I D E N T I A L SECTION 01 OF 03 TOKYO 001585

SIPDIS

STATE FOR G, OES/EGC NSC FOR PAUL BROWN AND JONATHAN SHRIER CEO FOR LANDON VAN DYKE

E.O. 12958: DECL: 06/09/2018 TAGS: <u>SENV KGHG ENRG JA</u>

SUBJECT: "FUKUDA VISION" ON CLIMATE CHANGE

TOKYO 00001585 001.2 OF 003

Classified By: Ambassador J. Thomas Schieffer for reasons 1.4 b, d.

11. (C) SUMMARY: Prime Minister Fukuda's speech outlining the "Fukuda Vision" for international climate change negotiations and domestic climate policies contained few surprises. The PM confirmed Japan's long-term goal to reduce its emissions 60-80% by 2050, with the main new proposal being a trial domestic emissions trading scheme to be implemented this fall. The fact that the speech was apparently prepared entirely within the Cabinet Office, excluding the ministries, suggests an increasing desire for Fukuda to be seen as a "leader" on climate change. Nevertheless the speech did push back against EU views on emissions trading and targets. End summary.

The Speech: No Major Surprises

12. (U) Prime Minister Fukuda unveiled his "Fukuda Vision" on an international climate change agreement and domestic Japanese climate measures in a speech devoted exclusively to the subject at the Japan National Press Club at 6:00 pm Monday, June 9. As expected, he announced a long-term domestic goal of cutting Japan's emissions 60-80% from current levels by 2050, saying Japan could achieve this goal with the introduction of innovative technologies. He also said global emissions must drop 50% by 2050, which would be a goal "shared between the G8 and major emitting countries," and must peak in the next 10-20 years. However, developed countries would have to make a larger contribution.

- 13. (U) As had also been hinted in the press, the PM did not outline a mid-term domestic goal. He did say Japan has the potential to reduce its emissions 14% from current levels by 2020 through sector-specific cuts and cleaner technology. He also made a detailed argument for 2005 being the base year against which future emissions reductions should be measured, saying the world situation has changed since 1990 and Japan was already very energy-efficient at that time. (Note: Japan's economy, still one of the world's most energy-efficient, made most of its gains in efficiency prior to 1990. Money for energy efficiency R&D dried up during the prolonged economic downturn of the 1990s. End note.)
- 14. (U) The PM then outlined a "comprehensive policy" to achieve a low-carbon society with four pillars:

First: diffusion of existing technology internationally, including through the U.S.-sponsored Clean Technology Fund and Japan's Cool Earth Partnership, and increased investment into innovative clean technologies.

Second: national measures to foster a low-carbon society in Japan such as a trial domestic emissions trading scheme to begin this fall, a "greening of the tax system," and an effort to reclaim the world's number one position in solar power generation from Germany by increasing solar energy generation to ten times current levels by 2020 and forty times by 2030.

Third: regional roles for Japanese agriculture in producing forests and other biomass, and cities to be designated as models of energy efficiency.

TOKYO 00001585 002.2 OF 003

Fourth: changes in individuals' lifestyles, such as the possible introduction of daylight saving time. The PM also designated July 7 as a "Cool Earth Day" for the public to participate in low-carbon activities. (Note: This year July 7, a Monday, will be the first day of the G-8 Summit in Hokkaido.)

Press Reaction

¶5. (SBU) All major news outlets covered the speech and ran summaries. Newspaper editorials generally welcomed the speech, but some criticized the lack of a mid-term goal, pointing out that even a potential 14% reduction from current levels would only bring Japan 4% below 1990 levels. (Note: Japan's Kyoto target is to reduce emissions 6% below 1990 levels by 2012. While the PM also confirmed in the speech that Japan would meet its Kyoto target, the country is currently 6.5% above 1990 levels and will only be able to meet its target by purchasing carbon credits. End note.) At least one editorial compared the PM's plan unfavorably to the climate bill put forward by the opposition Democratic Party of Japan (DPJ), which would cut emissions 25% from 1990 levels by 2020 and over 60% by 2050.

Ministries out of the Loop

16. (C) While many of the speech's highlights had been leaked in advance, the GOJ bureaucracy was out of the loop on its production. In testimony before the Diet's Environmental Committee on June 10, MOE Director General for Global Environment Hideki Minamikawa said he had not seen a draft of the speech until late afternoon on June 9. A Ministry of Foreign Affairs (MOFA) contact also told Post on June 9 he had not seen the text. On June 10 a senior Ministry of Environment (MOE) official meeting incoming EAP/J Director Russel made lengthy supportive remarks about MOE's support for the U.S. Major Economies Meeting process, and about MOE's relationship with the Environmental Protection Agency, but could not offer any reaction to the speech's content even

though he was about to testify to the Diet -- except to say that he expected to be grilled about it since the DPJ is pushing a competing bill. The Ministry of Economy, Trade and Industry (METI) was unable to offer any reaction to the speech's content at all. One newspaper also reported that officials at all three ministries were complaining about being left out of the speech's production, and speculated that this was deliberate on the part of the Cabinet Office so as to give the impression that the PM is changing the government's course on climate change himself.

Comment

17. (C) By keeping the bureaucracy out of the loop when writing the speech, it would appear Fukuda wants to be seen as taking personal leadership on climate change. However, it is notable the PM did not respond to the EU's attention-grabbing announcements of mid-term goals with one of his own. Fukuda's insistence in the speech that "we have no time to play political games with a mid-term target" shows

TOKYO 00001585 003.2 OF 003

that Japan has, at least for now, recognized that coming out with unreachable goals for the near term would damage negotiations on a post-Kyoto climate treaty. While trying to maintain credibility for the GOJ, Fukuda has chosen to distance Japan from the EU on this key point. End comment. SCHIEFFER